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UNCLAS SECTION 01 OF 02 BRIDGETOWN 000145

SIPDIS

STATE PLEASE PASS USTDA - NATHAN YOUNGE

E.O. 12958: N/A

TAGS: [EINV](#) [BEXP](#) [XL](#) [EAGR](#) [EIND](#) [ETRD](#) [EWWT](#) [SENV](#)

SUBJECT: DOMINICA: EMERGING WATER SUPERPOWER?

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SUMMARY  
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¶1. (U) Dominica has the potential to be a massive exporter of potable fresh water, with some 300 million gallons spilling into the ocean every day. The government has expressed interest in exploiting this largely untapped resource, but a lack of capacity and resources to focus on the possible investment and export opportunities has constrained their ability to follow up. Once reliable feasibility studies are completed to assess environmental impact and verify freshwater levels, the viability of either bulk water exports and/or niche high-end bottled water production could prove to be lucrative investment targets. End summary.

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Water, Water Everywhere  
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¶2. (U) The Dominica Water and Sewage Company, DOWASCO, told us on a recent visit that Dominica is currently losing 300 million gallons of freshwater a day into the Caribbean. Bernard Ettinoffe, the general manager of DOWASCO, said he has been in discussions with multiple U.S. firms about how to commercialize their largely untapped water resources. Bedrock Exploration and Development (BEAD), a U.S. company that specializes in drilling underground aquifers and has completed projects in Nevis and Trinidad, has informed DOWASCO that up to 150 million gallons of freshwater a day could be siphoned off from the outflow with no environmental impact. Considering that Dominica currently uses a mere 3-4 million gallons a day, virtually all of that capacity could be exported, Ettinoffe said.

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Bottled or tap?  
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¶3. (U) With these quantities, Dominica has the ability to export either bulk or bottled water. According to Ettinoffe, bulk water would most likely be transported on tankers, which would require improvements in delivery infrastructure. DOWASCO currently sells bulk water to Carnival Cruise lines, but the feeder pipe is unsuitable for loading a tanker (and is located in the cruise terminal, making such loading unfeasible in any case). Moreover, DOWASCO is currently facing budget deficits and is unable to maintain its current infrastructure, let alone consider new projects, making a government-sponsored investment in upgrading the export infrastructure impractical. Bottled fresh or mineral water is also an area of interest, said Ettinoffe. Currently, Dominica Brewery and Beverage is the only exporter of bottled water tapping into these resources, and is the only EC-based supplier of bottled water to other islands in the region.

14. (U) Minister of Public Utilities, Energy and Ports, Mr. Charles Savarin, told poloffs that the focus of his ministry was on geothermal projects. He expressed little interest in pursuing water export projects, noting that the ministry does not have the spare capacity to pursue more than one major infrastructure project at a time. Minister of Economic Development and Urban Renewal, Mr. Julius Timothy, though, expressed a strong desire to move forward to explore possibilities in water. Minister Timothy had heard that Savarin had doubts about the project and was planning to argue the case to him. Before considering a water project, both agreed that they would require a feasibility study to assess environmental impacts. The geothermal project has already completed feasibility studies, is closer to funding, and thus it receives the bulk of their attention.

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COMMENT  
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15. (U) The bac-of-the-envelope projections from BEAD hint at sme real potential for investment in the water expor sector for the right investor, but proper feasiility studies would be a prerequisite. Dominica has the potential to be the primary source of frsh water in the Caribbean and beyond, but as an nderdeveloped country, would need assistance to ahieve its commercial potential. Professional maket research would also be welcome, as it is uncler to

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Dominican authorities where the primary markets are for bulk potable water. The case for a niche high-end bottler might be easier to make, given the tie-ins with the country's efforts to promote itself as the "Nature Island" of the Caribbean and a marquee environmental tourism destination. In either case, there are possibilities for U.S. exporters of the machinery and equipment needed to build the proper infrastructure to "tap" this resource on a large scale. End Comment.  
HARDT